703 HART SENATE OFFICE BUILDING WASHINGTON, DC 20510-3102 (202) 224-5521 IN NEW MEXICO -- 1-800-443-8658 TDD (202) 224-1792 senator\_bingaman@bingaman.senate.gov

## United States Senate

April 28, 2010

The Honorable Julius Genachoswki, Chairman Federal Communications Commission 445 12th Street SE Washington, DC 2055



## Dear Chairman Genachowski:

As the FCC moves forward on its National Broadband Plan I want to take the opportunity to stress the importance of considering the needs of those living in smaller markets and rural areas that are served by small, local providers. It is essential that these areas have full access to affordable voice, video, and broadband services for educational, business, medical, and other uses that are vital to the continued growth of these communities.

I am concerned that some of New Mexico's small telecommunication providers are paying significantly higher rates for programming than the larger providers. These small providers stated that they pay the higher rates because they are small operators in a market that is dominated by the large media conglomerates who take advantage of the economy of scale to negotiate preferable rates. While I believe that the market is always the preferred method for setting prices, I question whether the video programming market is functioning properly for all the businesses involved and the consumer.

As you move forward with your work on the National Broadband Plan, retransmission consent rulemaking, and the Comcast-NBCU transaction, I ask that you take into account the special concerns of the rural consumer and small providers. These proceedings provide an opportunity for the FCC to examine whether the market is operating fairly, particularly for smaller operators and their customers in rural areas.

Thank you for your attention to this matter. To update me on this matter or if you have any questions please contact Annie Chávez at 202-224-3882.



## FEDERAL COMMUNICATIONS COMMISSION WASHINGTON

September 28, 2010

The Honorable Jeff Bingaman United States Senate 703 Hart Senate Office Building Washington, D.C. 20510

Dear Senator Bingaman:

Thank you for your letter concerning the potential impact of retransmission consent negotiations on small operators. Recent high profile retransmission negotiations and other events have led to complaints that the Commission's current retransmission consent policies have not kept pace with changes in the marketplace, and may no longer serve the interests of consumers who subscribe to multichannel video programming distributor (MVPD) services. I appreciate your thoughts on the effect of these policies on small businesses as well.

As you may know, a coalition representing a number of MVPDs and public interest groups submitted a *Petition for Rulemaking* to reform the retransmission consent rules. The *Petition* asks that the Commission adopt new mechanisms for mandatory arbitration when MVPDs and broadcasters fail to reach retransmission consent agreements, and require continued carriage of broadcast signals during the negotiation or dispute resolution process. The *Petition* also requests the adoption of rules to change the practice of tying broadcast programming to the carriage of nonbroadcast services.

The Commission's Media Bureau issued a *Public Notice* inviting comment on the issues and proposals discussed in the *Petition*. The comment period recently closed and the Bureau is reviewing the record compiled in the proceeding to develop recommendations for Commission consideration. Given the importance of this matter to a wide range of consumers and businesses, we intend to treat this matter seriously.

I appreciate your interest in this important matter. Please do not hesitate to let me know if I can be of further assistance.

Sincerely,

Julius Genachowski